

A dynamic splash of water, captured in mid-air, creating a crown-like shape with numerous droplets and ripples. The water is a clear, vibrant blue, contrasting with the white background. The splash is centered horizontally and occupies the middle portion of the frame, with the text overlaid on it.

Water and Wastewater Utility Rates Work Session

August 12, 2014

City Council Chambers

826 North Main Street

Cottonwood, Arizona 86326

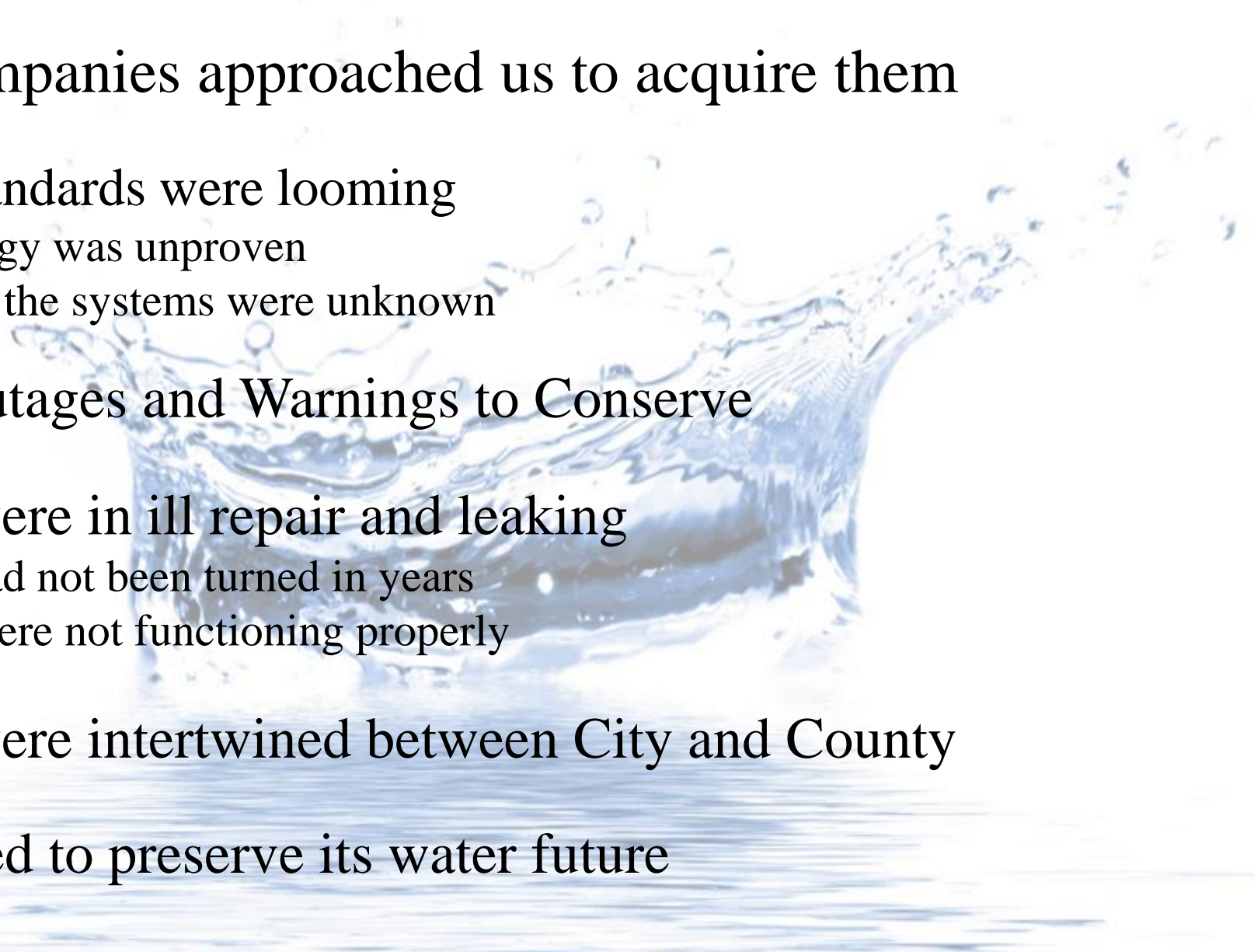
What is an Enterprise Fund

- Basic Definition:
 - In governmental accounting, fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows Generally Accepted Accounting Principles (GAAP) as does a commercial enterprise. An example is a government-owned utility.
- City of Cottonwood Definition:
 - Enterprise funds are used to account for operations:
 - that are financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
 - where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes to the residents.
- Cottonwood has both a Water and Wastewater Enterprise Fund

A high-speed photograph of a water splash, showing a crown-like shape with many small droplets and bubbles. The water is a clear, vibrant blue. The text 'Cottonwood Municipal Water' is centered over the splash in a black, serif font.

Cottonwood Municipal Water

Getting Into The Water Business

- Water companies approached us to acquire them
 - Arsenic Standards were looming
 - Technology was unproven
 - Costs for the systems were unknown
 - Annual Outages and Warnings to Conserve
 - Systems were in ill repair and leaking
 - Valves had not been turned in years
 - Meters were not functioning properly
 - Systems were intertwined between City and County
 - City wanted to preserve its water future
- 

Acquisition of the Water Companies

- October 2004 - \$13,580,000 – 2004 MPC Bond Issue
 - Cordes Lakes
 - Clemenceau
 - Verde Santa Fe
- January 2006 - \$23,965,000 – 2006 MPC Bond Issue
 - Cottonwood Waterworks
 - Purchase agreement with Clarkdale
- April 2009 - \$825,453 - Spring Creek Water Company – No debt
 - Secure our water future to the North
- March 2010 - \$889,107 - Quail Canyon Water Company – No debt
 - Specifically to support Verde Village Unit #6 & #7
 - Additional cost of \$159,994 to link the systems
- 2004 bond will be paid 07/01/2029
- 2006 bond will be paid 07/01/2035

Security for the Bonds

- The Revenue Bonds are secured by the net operating revenues of the water system (i.e., gross system revenues less operations and maintenance expenses).
- Obligation of the City to make debt service payments is absolute and unconditional.

Legal Provisions

- Require the City to establish and maintain water system rates and other charges sufficient to generate Net Revenues in each fiscal year equal to at least 135% of the principal and interest requirements of the Bonds.
- Require that if the City issues additional Senior Lien Water Revenue Bonds, that historical net system revenues (i.e. previous fiscal year as adjusted) provide coverage of at least **1.35x** debt service on existing Bonds and any new bonds to be issued.

Conservation

A background image showing a dynamic splash of water, with droplets and ripples, in shades of blue and white, creating a sense of movement and freshness.

- Rate structure encourages conservation
 - Old - Base rate & 3 tier rate structure
 - New – base rate & 4 tier rate structure
- Staff track water usage variations & follows up on high usage flows
- Well upgrades include electronic pump drives that reduce pressure surges resulting in less water main & service line leaks
- Building up a conservation fund to assist with future conservation programs both inside and outside the city's corporate limits
- Leak detection tablets are provided to each new customer

Conservation



- Utility works with schools and civic groups to raise public awareness regarding conservation
- Personal contact with customers on water conservation and leak detection issues
- Low water use landscape (xeriscape) has been incorporated into city building designs
- Drought & Water Shortage Preparedness Plan
 - <http://www.cottonwoodaz.gov/utilities/droughtplan.pdf>
- Conservation links on our website on the Utilities page-
<http://www.azwater.gov/AzDWR/StatewidePlanning/Conservation2/>

Taking Care of Business

- Being good stewards
 - Acquired two additional water companies without bonding
 - Decommissioned the Clemenceau system (three well sites) due to inefficiency
 - Increased storage capacity by nearly 1M gallons
 - Improved capacity at most of our wells, pumps and boosters
 - Increase fire flows by adding fire hydrants
 - 6 in city 14 - in the County
 - Generators at all county wells
 - Arsenic treatment compliant at all well sites
 - Reduced water loss in the system – from 45% to 11%
- Savings to the systems
 - Initially we were saving over \$300,000 by maintaining our arsenic systems in-house
 - Recently acquired all the arsenic systems and will save \$1.3M in the process
 - Moved storage tanks to more strategic locations rather than purchasing new
 - Brought most all engineering in house – saving money for city and county customers

A high-speed photograph of a water splash, showing a crown-like shape with many droplets in the air. The water is a deep blue, and the background is a bright, slightly hazy white. The text 'Proposed Water Rates' is centered over the splash in a black, serif font.

Proposed Water Rates

Revised & Projected Financials

	REVISED	PROJECTED					
	2014	2015	2016	2017	2018	2019	2020
Operating Revenue	\$6,357,300	\$6,872,822	\$7,297,032	\$7,610,472	\$7,938,055	\$8,280,425	\$8,638,234
Non-operating Revenue	\$87,875	\$17,449	\$17,571	\$17,695	\$17,830	\$17,976	\$18,124
Available Revenue	\$6,445,175	\$6,890,271	\$7,314,603	\$7,628,167	\$7,955,885	\$8,298,401	\$8,656,358
Expenses	\$3,366,103	\$3,775,738	\$3,915,048	\$4,057,568	\$4,192,658	\$4,366,507	\$4,150,823
Income / (Loss)	\$3,079,072	\$3,114,533	\$3,399,555	\$3,570,599	\$3,763,227	\$3,931,894	\$4,505,535
Debt Service	\$2,485,773	\$2,554,460	\$2,691,636	\$2,696,011	\$2,697,886	\$2,692,886	\$2,701,086
Coverage Ratio (minimum 1.35%)	123.9%	121.9%	126.3%	132.4%	139.5%	146.0%	166.8%
Resource Development Fees	\$576,155	\$612,250	\$627,560	\$643,250	\$659,340	\$659,340	\$659,341
Impact Fees	\$147,750	\$10,800	\$0	\$0	\$0	\$0	\$0
	\$723,905	\$623,050	\$627,560	\$643,250	\$659,340	\$659,340	\$659,341
Coverage Ratio + Restricted Revenues	152.99%	146.32%	149.62%	156.30%	163.93%	170.49%	191.21%

Based on a 6% increase in 2015, a 4% increase in 2016 and 2% increase through the remainder of the years

Five Year Rate Projections

INSIDE CORPORATE CITY LIMIT RATE PROJECTIONS

	CURRENT	PROJECTED					
	2014	2015	2016	2017	2018	2019	2020
<u>Base Charge</u>							
5/8"	\$23.36	\$24.76	\$25.75	\$26.27	\$26.80	\$27.34	\$27.89
1"	\$37.80	\$40.07	\$41.67	\$42.50	\$43.35	\$44.22	\$45.10
1 1/2"	\$76.95	\$81.57	\$84.83	\$86.53	\$88.26	\$90.03	\$91.83
2"	\$121.50	\$128.79	\$133.94	\$136.62	\$139.35	\$142.14	\$144.98
3"	\$243.00	\$257.58	\$267.88	\$273.24	\$278.70	\$284.27	\$289.96
4"	\$378.00	\$400.68	\$416.71	\$425.04	\$433.54	\$442.21	\$451.05
6"	\$769.50	\$815.67	\$848.30	\$865.27	\$882.58	\$900.23	\$918.23
<u>Volume Charge (per 1,000 gal)</u>							
0 – 1,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1,001 – 5,000	\$2.90	\$3.07	\$3.19	\$3.25	\$3.32	\$3.39	\$3.46
5,001 - 10, 000	\$3.99	\$4.23	\$4.40	\$4.49	\$4.58	\$4.67	\$4.76
10,001 – 15,000	\$5.69	\$6.03	\$6.27	\$6.40	\$6.53	\$6.66	\$6.79
15,000 +	\$8.10	\$8.59	\$8.93	\$9.11	\$9.29	\$9.48	\$9.67
<u>Water Resource Development Fee</u>							
Water Resource Development	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32
Water Source Assurance	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Gila River Adjudication	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44
Water Conservation	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27
Total Development Fee	\$5.38	\$5.38	\$5.38	\$5.38	\$5.38	\$5.38	\$5.38
Connection Fees	\$35.00	\$37.00	\$38.50	\$39.25	\$40.00	\$40.75	\$41.50

Five Year Rate Projections

OUTSIDE CORPORATE CITY LIMIT RATE PROJECTIONS

	CURRENT	PROJECTED					
	2014	2015	2016	2017	2018	2019	2020
<u>Base Charge</u>							
5/8"	\$30.37	\$32.19	\$33.48	\$34.15	\$34.83	\$35.53	\$36.24
1"	\$49.14	\$52.09	\$54.17	\$55.25	\$56.36	\$57.49	\$58.64
1 1/2"	\$100.04	\$106.04	\$110.28	\$112.49	\$114.74	\$117.03	\$119.37
2"	\$157.95	\$167.43	\$174.13	\$177.61	\$181.16	\$184.78	\$188.48
3"	\$315.90	\$334.85	\$348.24	\$355.20	\$362.30	\$369.55	\$376.94
4"	\$491.40	\$520.88	\$541.72	\$552.55	\$563.60	\$574.87	\$586.37
6"	\$1,000.35	\$1,060.37	\$1,102.78	\$1,124.84	\$1,147.34	\$1,170.29	\$1,193.70
<u>Volume Charge (per 1,000 gal)</u>							
0 – 1,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1,001 – 5,000	\$3.77	\$4.00	\$4.16	\$4.24	\$4.32	\$4.41	\$4.50
5,001 - 10, 000	\$5.19	\$5.50	\$5.72	\$5.83	\$5.95	\$6.07	\$6.19
10,001 – 15,000	\$7.40	\$7.84	\$8.15	\$8.31	\$8.48	\$8.65	\$8.82
15,000 +	\$10.53	\$11.16	\$11.61	\$11.84	\$12.08	\$12.32	\$12.57
<u>Water Resource Development Fee</u>							
Water Resource Development	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32
Water Source Assurance	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Gila River Adjudication	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44
Water Conservation	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27
<u>Total Development Fee</u>	<u>\$5.38</u>	<u>\$5.38</u>	<u>\$5.38</u>	<u>\$5.38</u>	<u>\$5.38</u>	<u>\$5.38</u>	<u>\$5.38</u>
Connection Fees	\$45.00	\$48.00	\$50.00	\$51.00	\$52.00	\$53.00	\$54.00

Proposed New Rate Structure

	2014		2015	
	CURRENT RATES		PROPOSED RATES	
	in limits	out of limits	in limits	out of limits
<u>Base Charge</u>				
5/8"	\$23.36	\$30.37	\$24.76	\$32.19
1"	\$37.80	\$49.14	\$40.07	\$52.09
1 1/2"	\$76.95	\$100.04	\$81.57	\$106.04
2"	\$121.50	\$157.95	\$128.79	\$167.43
3"	\$243.00	\$315.90	\$257.58	\$334.85
4"	\$378.00	\$491.40	\$400.68	\$520.88
6"	\$769.50	\$1,000.35	\$815.67	\$1,060.37
<u>Volume Charge (per 1,000 gal)</u>				
0 – 1,000	\$0.00	\$0.00	\$0.00	\$0.00
1,000 - 5,000	\$2.90	\$3.77	\$3.07	\$4.00
5,001 - 10,000	\$3.99	\$5.19	\$4.23	\$5.50
10,000 - 15,000	\$5.69	\$7.40	\$6.03	\$7.84
15,001+	\$8.10	\$10.53	\$8.59	\$11.16
<u>Water Resource Development Fee</u>				
Water Resource Development	\$4.32	\$4.32	\$4.32	\$4.32
Water Source Assurance	\$0.35	\$0.35	\$0.35	\$0.35
Gila River Adjudication	\$0.44	\$0.44	\$0.44	\$0.44
Water Conservation	\$0.27	\$0.27	\$0.27	\$0.27
<u>Total Development Fee</u>	<u>\$5.38</u>	<u>\$5.38</u>	<u>\$5.38</u>	<u>\$5.38</u>
Connection Fees	\$35.00	\$45.00	\$37.00	\$48.00

Breakdown by Low to Average Usage

5,000 Gallons

	2014		2015	
	CURRENT RATES		PROPOSED RATES	
	in limits	out of limits	in limits	out of limits
Base Fee	\$23.36	\$30.37	\$24.76	\$32.19
1,000 - 5,000 Rate	11.60	15.08	12.28	16.00
5,001 - 10,000 Rate	0.00	0.00	0.00	0.00
10,000 - 15,000 Rate	0.00	0.00	0.00	0.00
15,001- Rate	0.00	0.00	0.00	0.00
WRDF	5.38	5.38	5.38	5.38
Monthly 5,000 Gallon Bill	\$40.34	\$50.83	\$42.42	\$53.57







Increase is \$1.40 for in-city and \$2.08 for outside city

7,500 Gallons






	2014		2015	
	CURRENT RATES		PROPOSED RATES	
	in limits	out of limits	in limits	out of limits
Base Fee	\$23.36	\$30.37	\$24.76	\$32.19
1,000 - 5,000 Rate	11.60	15.08	12.28	16.00
5,001 - 10,000 Rate	9.98	12.98	10.58	13.75
10,000 - 15,000 Rate	0.00	0.00	0.00	0.00
15,001- Rate	0.00	0.00	0.00	0.00
WRDF	5.38	5.38	5.38	5.38
Monthly 7,500 Gallon Bill	\$50.32	\$63.81	\$53.00	\$67.32

Increase is \$2.68 for in-city and \$3.51 for outside city

Reasons for Differential Rates

-  There were differential rates throughout the privately owned companies
-  The distances are far greater when servicing lines as well as pumps and other equipment outside the corporate limits.
-  The terrain in a much of the villages is very different than that inside the city limits which makes repairs more costly.
-  The Cottonwood Municipal Water Utility is a public utility owned by the citizens of Cottonwood. When the utility borrows money for infrastructure, whether inside or outside the city limits, the citizens of Cottonwood bear the risk of the new debt and infrastructure.
-  Inside the city about 70% of the distribution system is fed by gravity versus booster pumps which means the electrical cost to provide water is significantly less per account because the only cost is for the well pumpage into the gravity system. The village system and Verde Santa Fe (VSF) are 100% pressure distribution systems.
-  Approximately 60% of the leaks we repair are in the county (mainly the villages since VSF is a relatively new system) and staff has to deal with 3, 7200 volt direct bury APS electrical lines that are joint trenched with the water lines whenever we dig there.

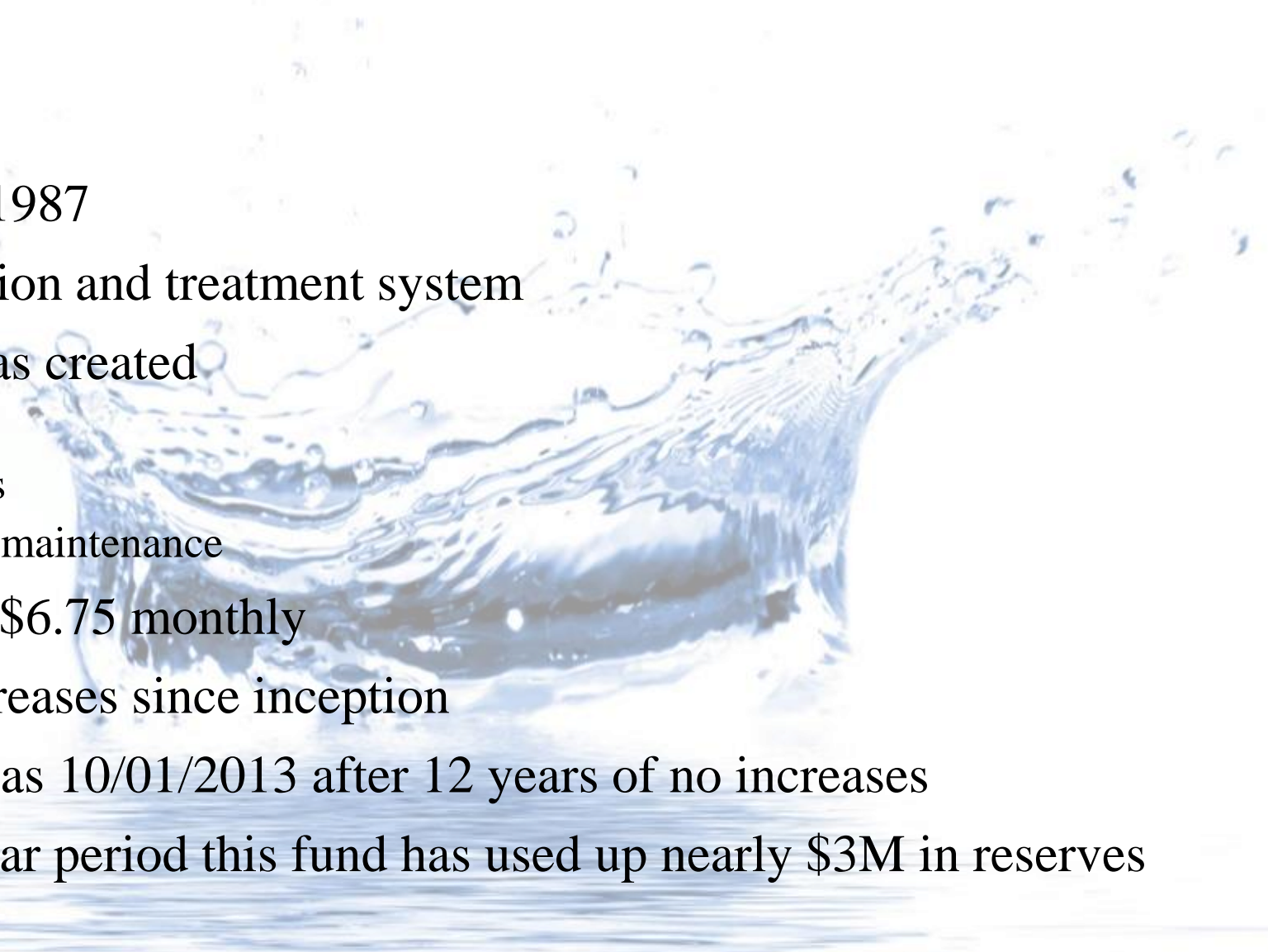
Reasons for Differential Rates

-  The meters in the villages are primarily in small overgrown backyard easements which makes meter reading significantly more labor intensive.
-  There are more small wells (14) outside the limits as opposed to larger wells inside the limits (7), all require daily monitoring and regular maintenance regardless of size.
-  There are 13 arsenic systems outside the limits as opposed to 7 arsenic systems inside the corporate boundaries. Each of these systems require regular maintenance regardless of the size of the well.
-  The leak repair figures outside the city used to be higher until we invested in new pumps and variable speed controllers in the villages which has reduced the pressure variations and associated water hammer.
-  The City purchased the Quail Canyon Water system exclusively to service Verde Village #6 & #7. Final cost to run the lines was over \$1M.

A high-speed photograph of a water splash, creating a crown-like shape with many small droplets in the air. The water is a clear, vibrant blue. The text 'Cottonwood Wastewater' is centered over the splash in a black, serif font.

Cottonwood Wastewater

Getting Into The Wastewater Business

- Idea started in 1987
 - All new collection and treatment system
 - 1% sales tax was created
 - Construction
 - Improvements
 - Operations & maintenance
 - Initial rate was \$6.75 monthly
 - Only seven increases since inception
 - Last increase was 10/01/2013 after 12 years of no increases
 - Over that 12 year period this fund has used up nearly \$3M in reserves
- 
- A large, dynamic splash of water is the central visual element of the slide. The water is captured mid-splash, with numerous droplets and ripples visible, creating a sense of movement and energy. The color of the water is a clear, bright blue, contrasting with the white background. The splash originates from the bottom center and spreads outwards and upwards, filling a significant portion of the slide's background.

A high-speed photograph of a water splash, creating a crown-like shape with many small droplets in the air. The water is a clear, vibrant blue, and the background is a soft, out-of-focus light blue. The text 'Proposed Wastewater Rates' is centered over the middle of the splash.

Proposed Wastewater Rates

Revised & Projected Financials

WASTEWATER RATE SUMMARY - FY 2015

	REVISED	PROJECTED					
	2014	2015	2016	2017	2018	2019	2020
Operating Revenues	\$1,933,285	\$2,243,046	\$2,434,161	\$2,645,465	\$2,879,166	\$3,137,716	\$3,423,834
Non-operating Revenues	\$126,550	\$9,850	\$550	\$550	\$550	\$550	\$550
Available Revenues	\$2,059,835	\$2,252,896	\$2,434,711	\$2,646,015	\$2,879,716	\$3,138,266	\$3,424,384
Operating & Administrative Expenses	\$1,837,070	\$1,941,830	\$2,071,995	\$2,183,450	\$2,230,248	\$2,359,257	\$2,501,960
Income / (Loss) from Operations	\$222,765	\$311,066	\$362,716	\$462,565	\$649,468	\$779,009	\$922,424
Debt Service	\$0	\$0	\$184,500	\$184,500	\$184,500	\$184,500	\$184,500
Net of Debt Service	\$222,765	\$311,066	\$178,216	\$278,065	\$464,968	\$594,509	\$737,924
Other Financing Sources	\$0	\$10,479,305	\$0	\$0	\$0	\$0	\$0
Total Available for Infrastructure	\$222,765	\$10,790,371	\$178,216	\$278,065	\$464,968	\$594,509	\$737,924
Infrastructure Needs	\$1,364,275	\$8,962,890	\$705,350	\$427,560	\$714,880	\$450,310	\$171,250
Net Total	\$1,141,510	(\$1,827,481)	\$527,134	\$149,495	\$249,912	(\$144,199)	(\$566,674)

CHARGE CALCULATIONS

Recommendation **\$33.25** \$33.25

Administrative Charge - Use Prior Year's Estimated Numbers

Formula: Administrative operating budget / # of users = cost per user / 12 months = monthly charge

\$454,470 / 5,451 = \$83.37 / 12 = \$6.95 (cost per month)

Recommendation **\$6.95** \$6.95

Depreciation of Equipment - Use Estimated Numbers

Formula: Net annual depreciation / annualized usage of gallons (in thousands) = cost per thousand

\$550,248 / 378,369 = \$1.45 /1000 (cost per thousand)

Recommendation **\$7.25** \$7.25

Maintenance & Operations (M & O) - Use Prior Year's Estimated Numbers

Formula: Net M & O operating budget / annualized usage of gallons sold (in thousands) = cost per thousand

\$1,441,230 / 378,369 = 3.81 /1000 (cost per thousand)

Net Maintenance & Operations Budget Calculations

FY 2015		\$1,487,360
Less:	Miscellaneous Revenue Items (non-operational revenues)	
	Interest Income	(50)
	Sales of Property	0
	Effluent Revenue	(36,280)
	Impact Fees	(9,800)
	Building Rental	0
		<hr/>
	Net M & O Fee Recovery	<u>\$1,441,230</u>

Recommendation **\$19.05** \$19.05

Five Year Rate Projections

Calculated Rates

REVISED	PROJECTED					
2014	2015	2016	2017	2018	2019	2020
\$6.60	\$6.95	\$7.27	\$7.53	\$7.83	\$8.19	\$8.48
5.95	7.25	10.85	11.40	12.15	12.80	12.80
13.70	19.05	20.30	21.45	22.00	23.30	24.85
0.00	0.00	3.76	3.72	3.69	3.65	3.61
\$26.25	\$33.25	\$42.18	\$44.10	\$45.67	\$47.94	\$49.74
	\$7.00	\$8.93	\$1.92	\$1.57	\$2.27	\$1.80

Proposed Smoothing Rates

REVISED	PROJECTED					
2014	2015	2016	2017	2018	2019	2020
\$6.60	\$6.95	\$7.27	\$7.53	\$7.83	\$8.19	\$8.48
\$5.95	\$3.15	\$1.07	\$3.25	\$6.33	\$9.26	\$12.50
\$13.70	\$19.05	\$20.30	\$21.45	\$22.00	\$23.30	\$24.85
\$0.00	\$0.00	\$3.76	\$3.72	\$3.69	\$3.65	\$3.61
\$26.25	\$29.15	\$32.40	\$35.95	\$39.85	\$44.40	\$49.44
	\$2.90	\$3.25	\$3.55	\$3.90	\$4.55	\$5.04

Proposed Wastewater Rate

CHARGE DESCRIPTION	CURRENT RATE	PROPOSED RATE
Administrative Rate	\$6.60	\$6.95
Depreciation Rate (per 1,000)	\$5.95	\$3.15
O&M Rate (per 1,000)	\$13.70	\$19.05
DS Rate	\$0.00	\$0.00
Total Monthly Residential Rate	\$26.25	\$29.15

Increase is \$2.90 monthly

Area Rate Comparisons

Community	Notes	2010 Census Population	5,000 gallons of water		5,000 gallons wastewater		Combined Charges	
			Inside	Outside	Inside	Outside	Inside	Outside
Cottonwood		11,265	\$40.34	\$50.83	\$29.15	\$29.15	\$69.49	\$79.98
Camp Verde	1	10,873	\$40.50	40.50	35.00	35.00	75.50	75.50
Chino Valley		10,817	\$26.84	26.84	64.14	64.14	90.98	90.98
Clarkdale		4,097	\$53.12	53.12	43.00	43.00	96.12	96.12
Flagstaff		65,870	\$31.99	35.19	19.00	20.90	50.99	56.09
Payson	4	15,301	\$37.88	37.88	20.00	20.00	57.88	57.88
Prescott		39,843	\$36.44	\$54.43	39.72	39.72	76.16	94.15
Prescott Valley	5	38,822	\$24.10	24.10	27.47	27.47	51.57	51.57
Sedona	2	10,031	\$43.04	43.04	54.33	54.33	97.37	97.37
Show Low		10,660	\$27.84	34.61	28.04	28.04	55.88	62.65
Verde Santa Fe	3		\$40.34	50.83	40.14	40.14	80.48	90.97
Wickenburg		6,363	\$11.04	22.08	20.99	20.99	32.03	43.07
Williams		3,023	\$32.25	32.25	34.00	34.00	66.25	66.25
Winslow		9,655	\$27.34	51.84	33.56	67.12	60.90	118.96
Average			\$33.29	38.98	35.34	38.07	68.62	77.04

Source: Communities websites & personal contacts

1 - Water is privately owned - Camp Verde Water System, Inc. & Verde Lakes Water System & Wastewater

Camp Verde Sanitation District collects property taxes

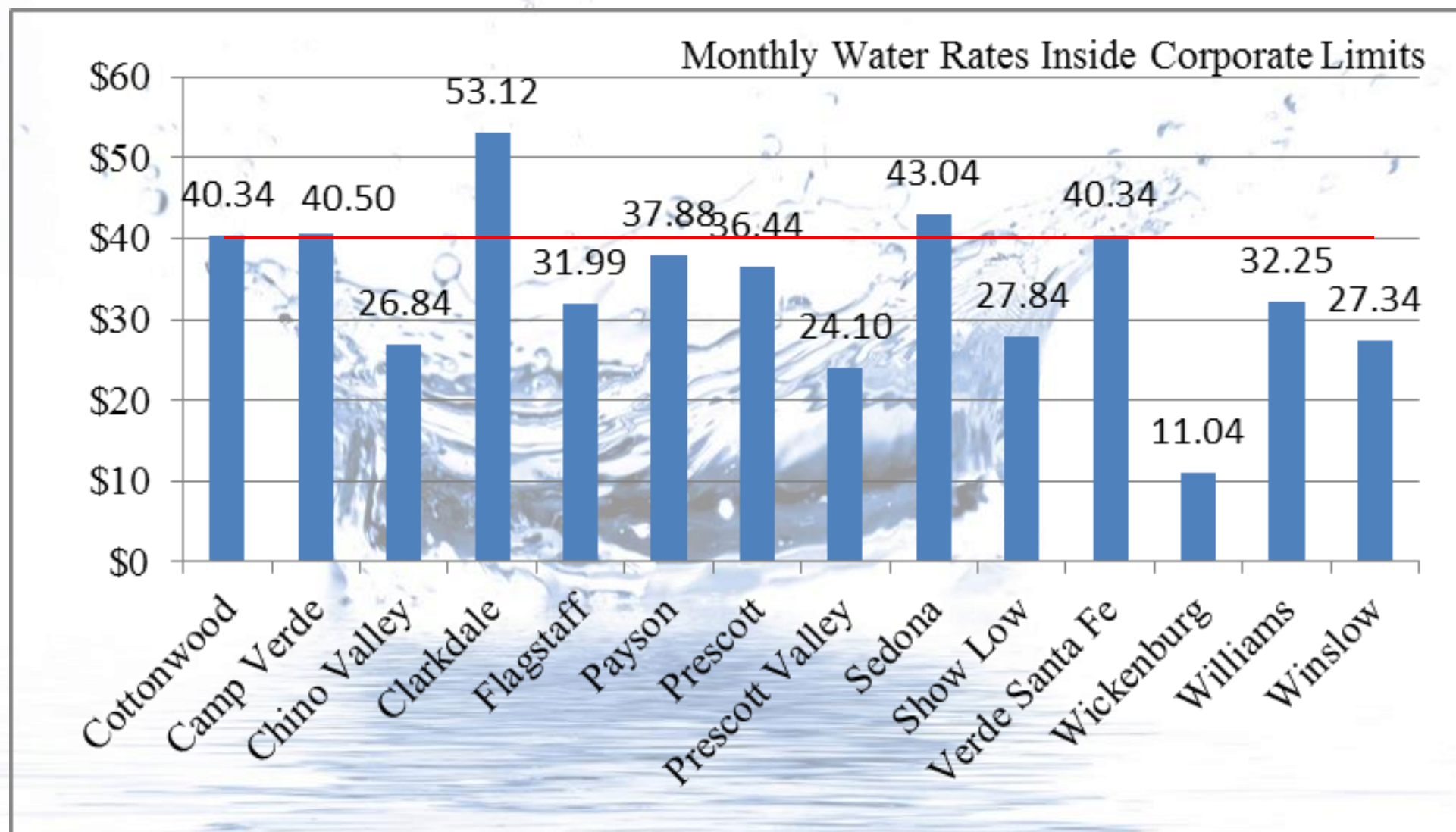
2 - Water is operated by Arizona Water Company

3 - Wastewater is provided by Verde Santa Fe Wastewater Co.

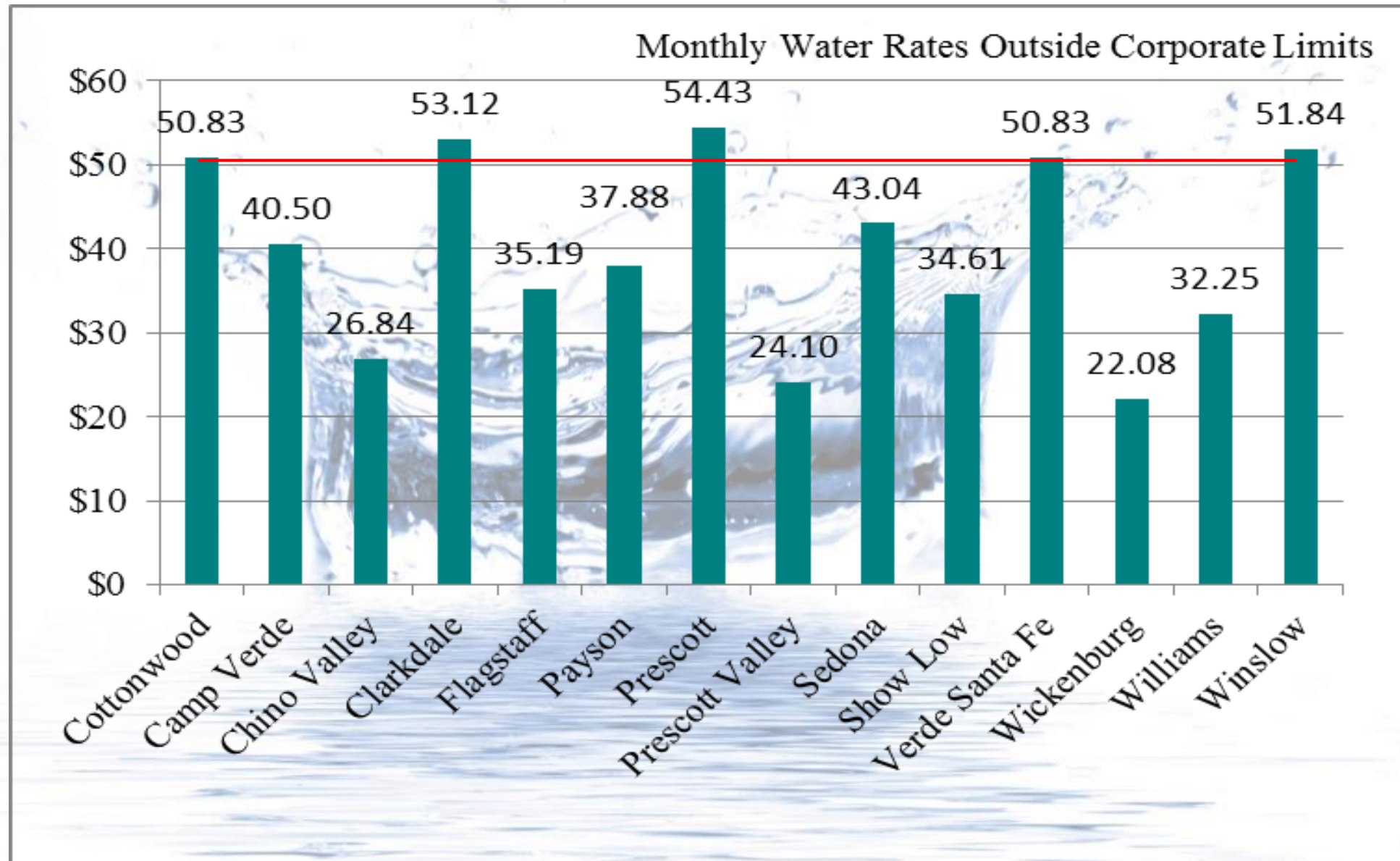
4 - Wastewater is provided by the No. Gila County Sanitary District-collects \$0.60 per \$100 of secondary assessed value

5 - Prescott Valley Sewer not a fixed monthly cost, but based on usage at \$4.54 per 1,000 gallons

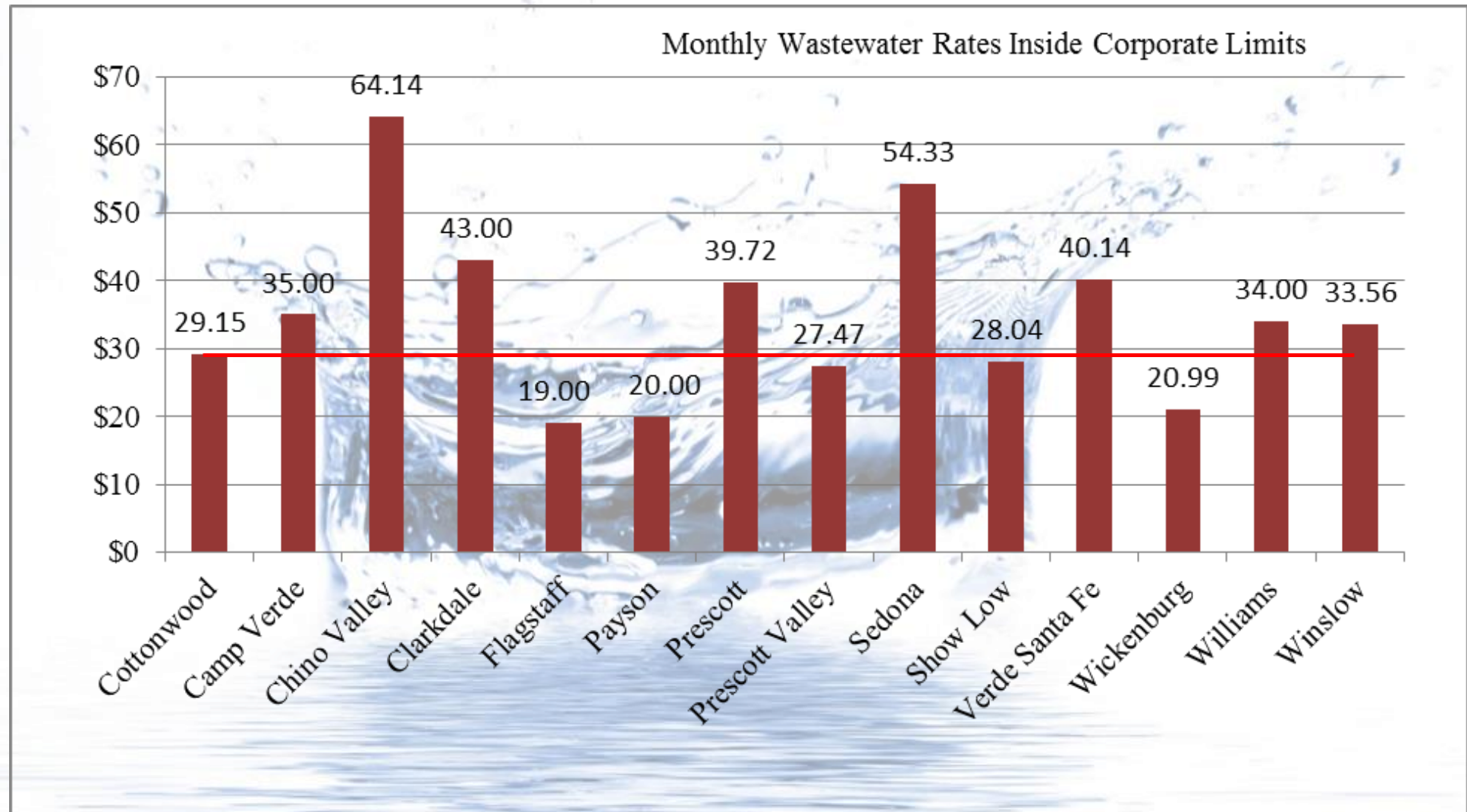
In City Limits Comparisons



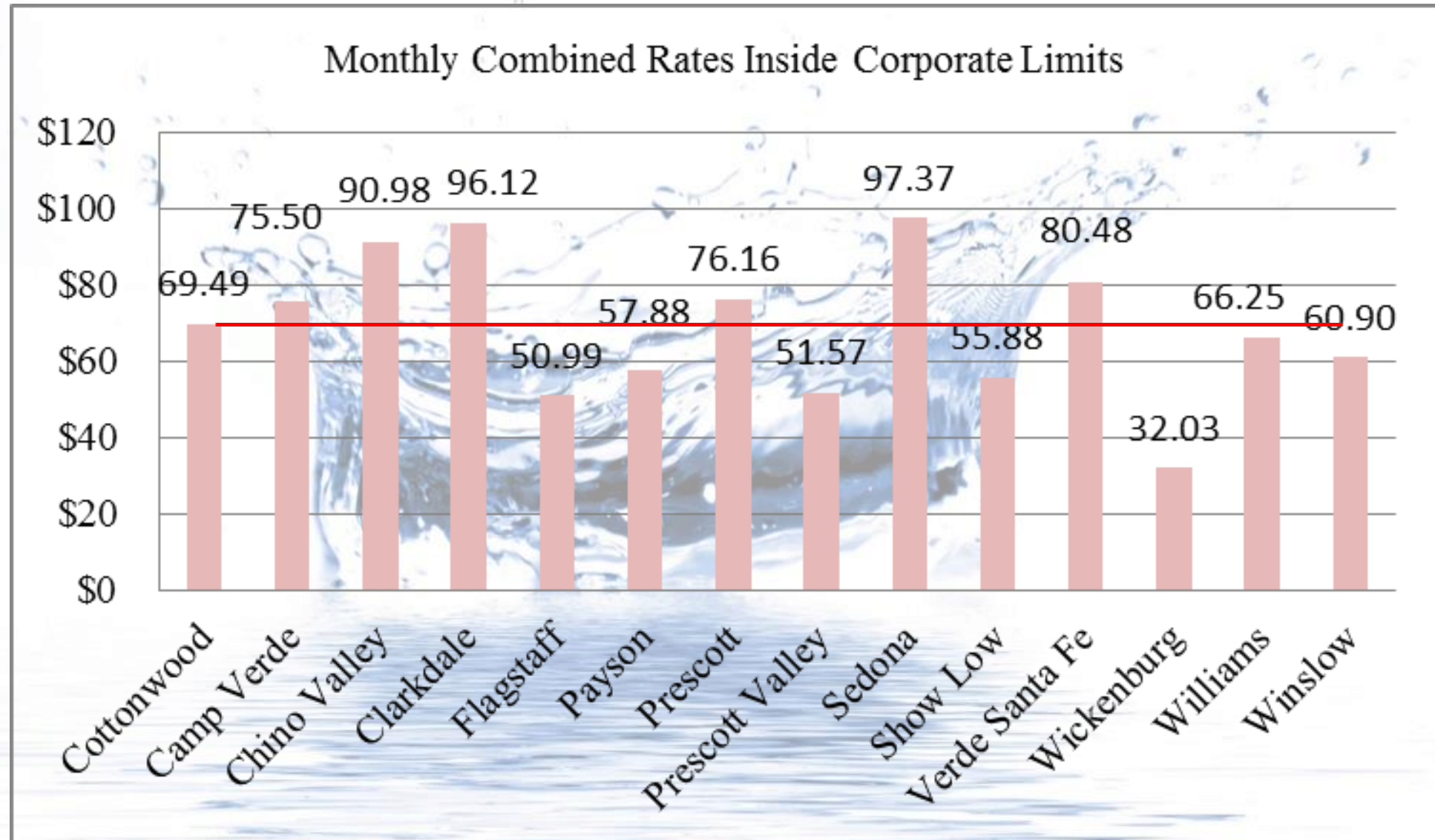
Outside of City Limits Comparisons



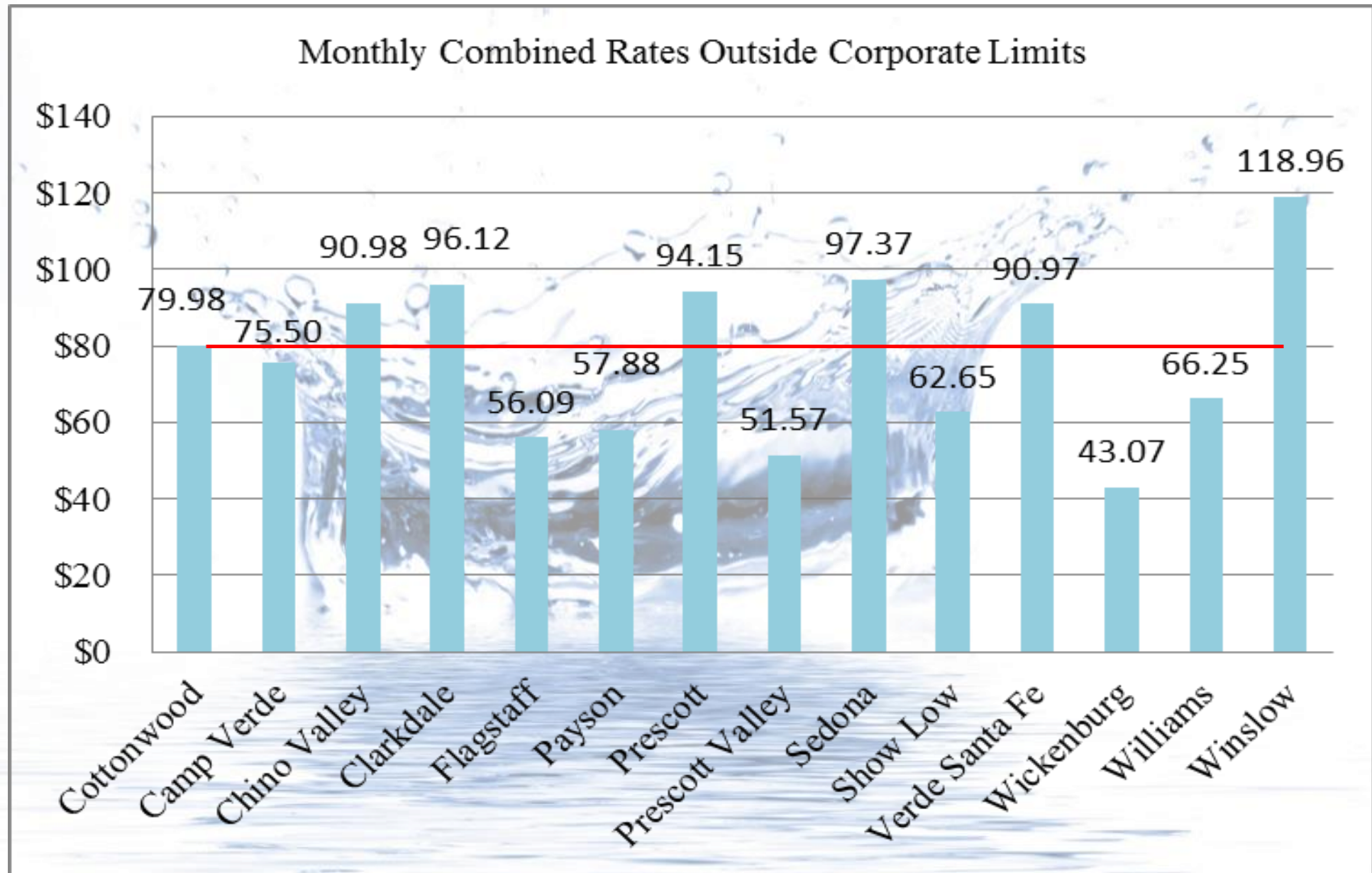
Wastewater Comparisons



In City Limits Combined Comparisons



Out of City Limits Combined Comparisons



A high-speed photograph of a water splash, showing a crown-like shape with many small droplets and bubbles. The water is a deep blue color, and the background is a bright, slightly hazy white. The text "Something to think about" is overlaid in the center of the splash in a black, serif font.

Something to think about

Tap Water in Perspective - The Best Deal Around



A Gallon of **TAP WATER**
\$0.005

On average, a gallon of Arizona tap water costs $\frac{1}{2}$ of a cent. When compared with the cost of other products we use every day, tap water is clearly one of the best deals around.

A GALLON OF



\$45.00

A GALLON OF



\$16.00

A GALLON OF



\$11.35

A GALLON OF



\$4.00

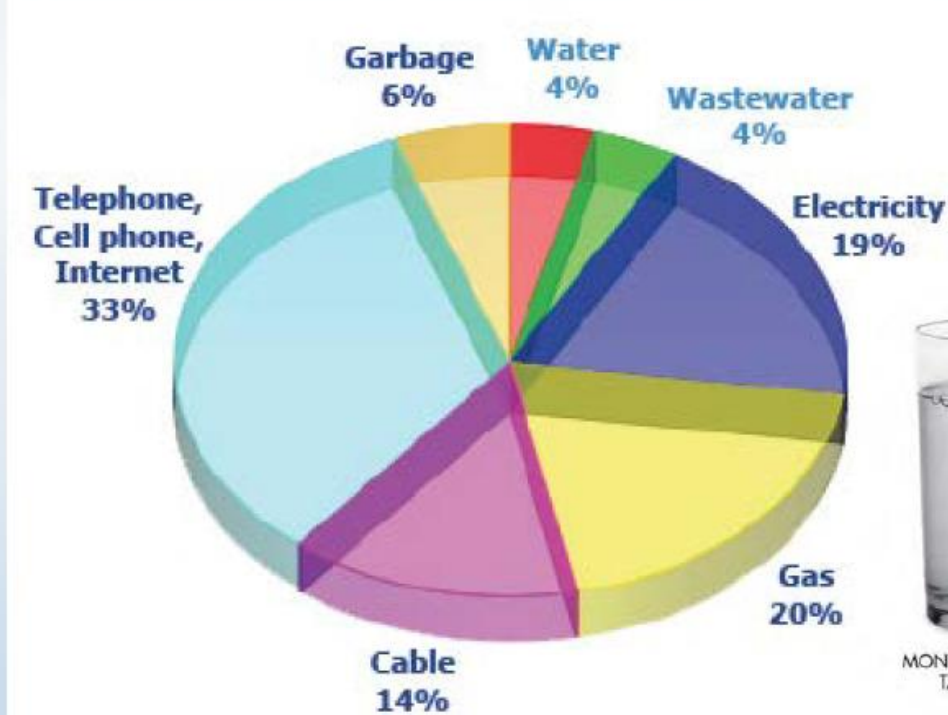
A GALLON OF



\$2.49

*(*Prices based on California averages.)*

Average U.S. Household Monthly Utility Costs



Which one can't you live without?



MONTHLY COST OF
TAP WATER
\$53

MONTHLY COST OF



\$100.00

MONTHLY COST OF



\$30.00

MONTHLY COST OF



\$70.00

MONTHLY COST OF



\$78.00

*Costs based on California averages

Arizona Averages:

- Water = \$38.14/month (7,500 gallons)
- Wastewater = \$30.74/month (5,000 gallons)

WIFA

Arizona's Infrastructure

- Much of AZ's water and wastewater infrastructure is old and deteriorating
- Infrastructure improvements are expensive to address
- Investment is necessary to prevent:
 - Degraded environmental health and drinking water quality
 - Insufficient water for households and industries



A high-speed photograph of a water splash, creating a crown-like shape with many droplets in the air. The water is a clear, vibrant blue, and the background is a bright, clean white. The word "Questions?" is centered over the middle of the splash in a black, serif typeface.

Questions?